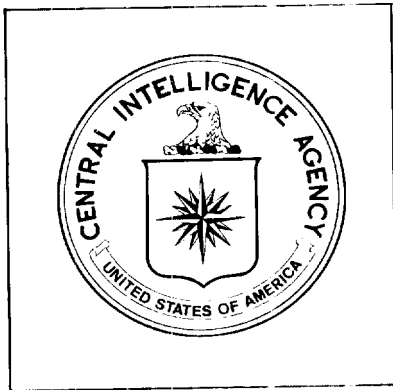


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STAFF NOTES:

Middle East
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MIDDLE EAST -- AFRICA -- SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Tanzania

Zanzibar's Relations with the Mainland

On September 22, President Julius Nyerere proposed that the sole political parties of the mainland and Zanzibar be merged. Nyerere's recommendation, made at a joint meeting of the two organizations, appears to be aimed at increasing his influence over affairs in Zanzibar, which has been minimal since the island's leaders formed a loose union with mainland Tanganyika in 1964.

There are formidable obstacles to any meaningful amalgamation of the mainland's Tanganyika African National Union (TANU) and Zanzibar's Afro-Shirazi Party (ASP). The mainland's 15 million people and Zanzibar's 300,000 people differ widely both in cultural heritage and political outlook. There are also economic differences. The mainlanders resent Zanzibar's relative prosperity, and the Zanzibaris are unhappy over Dar es Salaam's control of negotiations with non-communist aid donors.

Aboud Jumbe, the leader of the government of Zanzibar and also Tanzania's first vice president, voiced approval of Nyerere's proposal to merge the parties, but did so in vague and noncommittal terms. Other Zanzibari leaders are unlikely to oppose Nyerere's suggestion openly. They are, however, jealous of their extensive power and prerogatives, and will resent Nyerere's attempt to increase his influence over the island's affairs.

The TANU-ASP meeting was held for the purpose of selecting a presidential candidate for Tanzania's coming national elections. To the surprise of no one, Nyerere was nominated as the unopposed candidate.

In the balloting that will take place throughout the mainland and Zanzibar on October 26, voters may vote "yes" or "no" on Nyerere's candidacy. Nyerere received a 96.7 percent "yes" vote in 1970.

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3 Mainland voters will also elect members of parliament, choosing between two nominees in each district selected earlier by TANU. In past elections incumbents have been frequently turned out of office. (CONFIDENTIAL)

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India

Trouble with the Press

The Indian government continues to reflect acute sensitivity to criticism from the foreign and domestic press. On September 26, New Delhi ordered the expulsion of an American correspondent for the Los Angeles Times on grounds that he had repeatedly violated censorship rules. He was the sixth foreign newsman to be ousted from India since the emergency was imposed last June. The first five were ousted in the early weeks of the emergency; more recently the government had appeared to be taking an increasingly relaxed attitude toward the foreign press.

2 The domestic press, for the most part, is grudgingly abiding by censorship restrictions, but there are occasional outbursts of discontent at government efforts to increase its control over the media. This week Indian journalists working for one of the country's largest and most highly regarded English-language newspapers went on a 24-hour strike to protest the dismissal of the paper's editor, B.G. Verghese. Verghese, who was fired on Monday, publicly criticized authoritarian moves by Prime Minister Indira Gandhi months before the political crisis broke last June. This criticism apparently led to government pressure on the owner of the newspaper, a major industrialist, to dismiss him.

2x3 In a move to consolidate its control over the domestic press, the government is in the process of reorganizing the management of India's principal news services. All newspapers reportedly will be supervised by editorial boards named by government-appointed trustees rather than the private ownership, as is the case today. Gandhi claims that "big business" has had a dominating influence over the national press and accuses it of having earlier this year encouraged the opposition to seek her overthrow.
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Bangladesh

Private Negotiations for Raw Jute Exports Allowed

112 The Bangladesh government announced on September 20 that it had decided to "free" the export trade in raw jute by allowing private traders to negotiate directly with foreign buyers. All sales must still be routed through a government agency, the Bangladesh Jute Export Corporation. Raw jute exports normally account for about one-third of Bangladesh's export earnings.

2 In fact, the new policy is only a slight liberalization, but the change from pre-coup rhetoric is striking. The minor policy shift does suggest that the new government favors a limited increase in private trade within a government-controlled setting. In general, President Mushtaque has given little attention as yet to economic policies, which continue in all major respects unchanged from those of Mujib.

112 The practical difference of the new policy may not be great. The decline in raw jute exports last year reflected the world recession as well as inept marketing. Regardless who arranges the sales, exports will be higher in FY 1976 if international markets improve. The supply available for export is expected to be adequate.

1 The increased private role is intended to ensure a "fair" price for growers as well as to promote exports. Since traders will now be allowed to deal in both export and local markets, they could pass through to farmers some of the increased local currency value of exports generated by the devaluation last May. A further freeing of internal trade will be necessary, however, if farmers are actually to receive higher prices. In many cases neither the government buying corporations nor private traders have been paying farmers the legal minimum prices.

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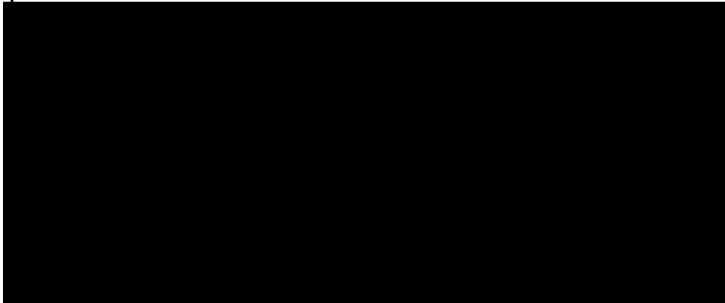
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2 The new policy may also be intended to curtail smuggling by legalizing the flow of raw jute to mills in India. The announcement mentioned an understanding with New Delhi for the formulation of a joint strategy on jute, but gave no details.
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